

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6484

BILL NUMBER: SB 101

NOTE PREPARED: Apr 6, 2011

BILL AMENDED: Apr 4, 2011

SUBJECT: Operator's License and Learner's Permit Issues.

FIRST AUTHOR: Sen. Holdman

FIRST SPONSOR: Rep. Hinkle

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill authorizes the Bureau of Motor Vehicles (BMV) to issue a learner's permit to a person at least 15 years and 90 days of age under certain conditions. (Current law authorizes the BMV to issue a learner's permit to a person at least 15 years and 180 days of age.)

The bill also provides that beginning July 1, 2011, an individual may receive an operator's license at 16 years and 90 days of age, if the individual has obtained an instructor's certification that the individual has satisfactorily completed an approved driver education course and has fulfilled certain other requirements. The bill makes technical corrections and removes outdated language.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) This bill will result in a redistribution of workload for local BMV branches to process an influx of approximately 11,187 requests for driver's education permits during the latter part of FY 2011 and early portion of FY 2012. Additionally, the bill will result in a redistribution of workload for local BMV branches to process an influx of approximately 10,925 requests for driver's licenses during FY 2012. Changes in workload should be able to be processed with currently existing staff at local BMV branches.

This estimate assumes (1) the provisions affecting driver's education permits will take effect prior to the end of FY 2011, (2) that all individuals who are not yet 15 years and 6 months of age but over 15 years and 90 days of age (and would otherwise have requested a driver's education permit at age 15 years and 6 months) will immediately request a driver's education permit upon passage of the bill, and (3) individuals who enrolled in a driver's education course at 15 years and 180 days of age will request a driver's license at age

16 years and 90 days (rather than 16 years and 180 days).

Explanation of State Revenues: (Revised) *Summary:* This bill is expected to increase state revenue received from (1) driver's education permits by \$100,700 during FY 2011 and (2) from driver's licenses by \$229,400 during FY 2012, for a total of approximately \$330,100 during FY 2011 and 2012.

(Revised) *Additional Information:*

Effect on Driver's Education Permits: This bill repeals language that took effect on July 1, 2010, that increased the age an individual can obtain a driver's education permit to 15 years and 6 months of age (P.L. 101-209). As the new age restrictions are currently in place, removing these restrictions will most likely cause a large increase in the number of new driver's education permit requests upon the effective date of the bill from those individuals who are between the ages of 15 years and 90 days and 15 years and 6 months. It is expected that total revenue to the state will experience no change, except the state will receive additional revenue in FY 2011 if this provision were to take effect before the end of the fiscal year. The estimated increase in revenue for FY 2011 is \$100,700.

Effect on Driver's Licenses: Under the bill, individuals who participate in a driver's education course would be eligible to receive their driver's license at 16 years and 90 days of age (rather than the current 16 years and 180 days). Individuals who wish to obtain a driver's license at age 16 years and 90 days would still have to (1) have been enrolled in a driver's education course at 15 years and 180 days of age (or older) and (2) held a valid driver's education permit for at least 180 days (along with other standard requirements for obtaining a driver's license). This bill will increase the number of individuals who are eligible to request their driver's license after the effective date of the provision. As a result, state revenue from driver's license fees received in FY 2012 is expected to increase by \$229,400.

(Revised) *Background Information:*

Between CY 2008 and CY 2009, an average of 44,742 individuals received their driver's education permit and 57,638 individuals received their learner's permit.

The fee for a driver's education permit is \$9. Annually, approximately 44,742 individuals, or about 3,729 monthly, were assumed to be eligible to obtain their driver's education permit at 15 years of age.

The fee for a driver's license is \$21. As of the writing of this fiscal note, the BMV was unable to provide information on the number of 16-year-old individuals who received driver's licenses. Using information obtained from the BMV regarding individuals who receive a driver's education permit and a learner's permit and assuming approximately 100,000 16-year-old individuals receive their driver's license annually, it was estimated that approximately 43,700 of these individuals (or about 3,642 monthly) would be eligible to receive their driver's license early as a result of completing a driver's education course.

Revenue obtained from driver's education permits is distributed to the Motor Vehicle Highway Account (MVHA), Crossroads 2000 Fund, Anti-Terrorism Fund, BMV Technology Fund, and State License Branch Fund. Of the increase in revenue this bill creates (\$330,100), each account is expected to receive the following.

Fund	FY 2011 and FY 2012 Net Revenue Increase	Uses
MVHA	\$71,146	Construction, reconstruction, and maintenance, along with supporting the BMV, the State Police, the Dept. of Transportation, and the Department of State Revenue.
Crossroads 2000 Fund	\$55,150	Bonding for highway projects.
Anti-Terrorism Fund	\$27,641	Supporting the Integrated Public Safety Commission.
BMV Technology Fund	\$11,056	Upgrading technology at the BMV.
State License Branch Fund	\$53,138	Supporting the operation of the licenses branches throughout the state.
BMV Commission Fund	\$111,986	Support the BMV by developing and continuously updating the Bureau's policies
Total Increase in Revenue From Fees	\$330,118	

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: BMV, Department of State Revenue as recipients of MVHA distributions.

Local Agencies Affected: Recipients of MVHA distributions.

Information Sources: BMV driver's license data for CY 2009; BMV learner's permit data for CY 2008 and CY 2009.

Fiscal Analyst: Bill Brumbach, 232-9559.